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COUNTRY Yugoslavia

SUBJECT Five Year Plan, War Industries and Yugoslav Trade with Satellites

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1. The Five Year Plan: During the first year of the Plan, Yugoslavia found that she lacked building materials, cement, bricks, and iron, having exported to the Soviet Union most of what was available in the country. The scarcity of these materials made impossible the realization of the Plan schedule for the first twelve months. For fear that a failure to carry out the projected public works would cause a dissatisfaction among the population and discredit the Government, the Yugoslavs stopped exportation of building materials. One of the basic reasons for the Tito-Gominform controversy could be traced to this Yugoslav action

2. War Industries:

a. Kragujevac - Produces light arms, hand grenades, and small caliber ammunition probably for anti-aircraft guns, machine guns and anti-tank guns. The present daily production is as follows:

2 anti-aircraft guns, 75 or 80 mm
30 machine guns, 34 or 37 mm
20 anti-aircraft one barrel machine gun of 30 caliber
2,500 sub-machine guns of Soviet type with vertical drum.

b. Ikarus airplane factory at Zemen - This factory has not had a precise series output. The potential production is estimated at two bombers and three fighters per day. The factory's most important function is a study of all types of airplanes. The plant is not modern and the shop is small.

c. Teleoptik shops at Zemen - A precision optical instruments factory with production potential of 100 "instruments" per month. The factory was recently enlarged to double its original size.

3. Plants for conversion to war production in event of war:

a. "Ivo Lolo Ribara" factory at Zeleznik - This factory

has been producing heavy machine equipment since 4 January 1948. The plant was designed on a Ministry order to permit

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conversion within a three-month period for the production of 50-ton tanks. [] to be activated in January 1949 and will enter production at the end of the year. This schedule is doubtful, however, because of lack of manpower. [] designed to produce machine equipment of a maximum of 10 tons.

- b. Litostroj factory, Ljubljana - Manufactures centrifugal pumps and turbines. Factory construction is not yet completed but production has already begun. The expected potential is five turbines of 50,000 horsepower per year. Thus far none have been completed. []

- c. Rakovica motors - Current production here is 12 to 15 tractor motors per day. The maximum expected is 120. The motors are four cylinders, developing 45 horse power and operate on gasoline. Production of these motors began on or about June 1948. Previously the plant had produced engines for automobiles. There has been no decision taken thus far to convert to production of aircraft motors, although present equipment would permit the output of about 12 aircraft motors per day. []

[] no airplane engines are being built at present at this plant.

- d. Rade Koncar factory, Zagreb - Produces 10 kilowatt electric motors and transformers having a capacity up to 100,000 volts. The present maximum yearly output is 1,000 10 kilowatt motors and 100 transformers. Telephone appliances for civilian purposes and probably for military are also produced here.

- e. Combinat at Sarajevo - Thus far only the walls of the plant have been erected. []

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- f. Jesenice factory, near Palanka - This factory produces only railway passenger cars. The monthly production is from 18 to 20 units.
- g. Slovonski Brod Locomotive and Iron Bridge factory - This factory produces 20 to 25 locomotives for industrial use per year. The iron bridge construction capacity is 25,000 tons each year.
- h. Maribor Iron Works - Production is composed of iron bridges, cranes and gasoline tanks. The 1948 production was 10,000 tons.
- i. Maribor Oil Refinery - The refinery is now engaged in filtering oil for industrial machines at the rate of 240,000 tons per week. The refining of crude oil is to be left entirely to the ROMSA refineries in Fiume.

3. Zenica steel furnaces - The furnaces are activated by coke originating in Pressburg, Czechoslovakia, of which daily consumption is 350 tons. Up to mid-December there has been no termination of Czech supplies. However, in expectation of such a move, the Yugoslavs have established a Special Chemical Department in the Ministry of Industry at Belgrade to study the problems of industrial coke manufacturing from domestic coal supplies.

4. The supply of essential parts such as connecting rods of "Prague" type 2½ ton trucks now manufactured at the Tezno motor factory, has been halted by the Czechs following the Cominform break. As a result the factory output of this model has now declined from ten per day to one per week.

5. The present situation of Yugoslav trade with the satellites is as follows:

- a. No exchange whatsoever with the Soviet Union, Rumania and Bulgaria.

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- b. Yugoslavia gave four billion dinars as an outright gift to Albania in 1947. At present no trade is carried on between Albania and Yugoslavia. There is no trade with Poland.
- c. A trade pact with Hungary had been concluded prior to the Cominform break. The terms of the agreement are now in force.
- d. Before the Cominform break, exchange with Czechoslovakia was intense. Trade is now limited to coke for the Jesenice and Zenica steel mills. The reason for the suspension of trade [redacted] was not only the Cominform controversy but probably because the Soviet Union is taking practically the entire Czech machinery production. Yugoslavia has continued to receive certain machinery of Czech origin [redacted]

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